



***UNAUDITED CONDENSED
FINANCIAL STATEMENTS
JUNE 2020***

I&M HOLDINGS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 30 JUNE 2020	COMPANY			GROUP		
	UNAUDITED	AUDITED	UNAUDITED	UNAUDITED	AUDITED	UNAUDITED
	30-Jun 2020 KShs '000'	31-Dec 2019 KShs '000'	30-Jun 2019 KShs '000'	30-Jun 2020 KShs '000'	31-Dec 2019 KShs '000'	30-Jun 2019 KShs '000'
Interest income	20,396	42,017	22,725	13,116,189	27,163,847	12,684,054
Interest expense	-	-	-	(6,196,884)	(11,654,006)	(5,666,396)
Net interest income	20,396	42,017	22,725	6,919,305	15,509,841	7,017,658
Fee and commission income	-	-	-	2,059,152	3,993,648	2,117,746
Fee and commission expense	-	-	-	(165,932)	(313,915)	(123,757)
Net fee and commission income	-	-	-	1,893,220	3,679,733	1,993,989
Revenue	20,396	42,017	22,725	8,812,525	19,189,574	9,011,647
Net trading income	-	4,313	-	2,019,672	3,835,815	2,042,071
Other operating income	2,342,000	363,733	196,340	134,230	456,078	376,514
Net operating income before change in expected credit losses and other credit impairment charges	2,362,396	410,063	219,065	10,966,427	23,481,467	11,430,232
Change in expected credit losses and other credit impairment charges	-	-	-	(1,030,628)	(636,455)	(1,108,719)
Net operating income	2,362,396	410,063	219,065	9,935,799	22,845,012	10,321,513
Staff costs	-	-	-	(2,357,615)	(4,727,698)	(2,326,143)
Premises and equipment costs	-	-	-	(218,736)	(423,951)	(383,325)
Other expenses	(13,820)	(40,699)	(15,297)	(1,633,303)	(2,829,772)	(1,381,276)
Depreciation and amortisation expenses	-	-	-	(649,264)	(1,165,520)	(415,198)
Operating expenses	(13,820)	(40,699)	(15,297)	(4,858,918)	(9,146,941)	(4,505,942)
Operating profit	2,348,576	369,364	203,768	5,076,881	13,698,071	5,815,571
Share of profit of Joint Venture	-	-	-	(579,546)	905,037	404,069
Profit before income tax	2,348,576	369,364	203,768	4,497,335	14,603,108	6,219,640
Income tax expense	(5,666)	(5,088)	(4,197)	(1,307,267)	(3,834,494)	(1,693,773)
Profit for the period	2,342,910	364,276	199,571	3,190,068	10,768,614	4,525,867
Other comprehensive income	(18)	(3,016)	6,744	157,808	(534,935)	211,979
Total comprehensive income for the period	2,342,892	361,260	206,315	3,347,876	10,233,679	4,737,846
Profit attributable to:						
Equity holders of the company	2,342,910	364,276	199,571	3,050,947	10,309,038	4,292,152
Non controlling interest	-	-	-	139,121	459,576	233,715
	2,342,910	364,276	199,571	3,190,068	10,768,614	4,525,867
Total comprehensive income attributable to:						
Equity holders of the company	2,342,892	361,260	206,315	3,025,170	9,871,024	4,507,815
Non controlling interest	-	-	-	322,706	362,655	230,031
	2,342,892	361,260	206,315	3,347,876	10,233,679	4,737,846
Basic and diluted earnings Per share - (KShs)	2.83	0.44	0.48	3.69	12.47	10.38
Dividends Per share - (KShs) - Final	-	2.55	-	-	2.55	-

I&M HOLDINGS PLC
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020	COMPANY			GROUP		
	UNAUDITED 30-Jun 2020 KShs '000'	AUDITED 31-Dec 2019 KShs '000'	UNAUDITED 30-Jun 2019 KShs '000'	UNAUDITED 30-Jun 2020 KShs '000'	AUDITED 31-Dec 2019 KShs '000'	UNAUDITED 30-Jun 2019 KShs '000'
ASSETS						
Cash and balances with central banks	-	-	-	19,067,868	15,385,829	20,142,441
Items in the course of collection	-	-	-	629,579	536,459	1,137,233
Loans and advances to banks	-	-	-	35,245,604	43,662,404	43,967,623
Loans and advances to customers	-	-	-	184,564,775	175,329,426	172,163,870
Financial assets at fair value through profit or loss (FVTPL)	-	-	-	16,871,845	13,744,048	9,098,293
Financial assets measured at fair value through other comprehensive income (FVOCI)	27,609	27,679	337,279	17,994,515	13,109,198	13,702,006
Other financial assets at amortised cost	-	-	-	37,371,893	27,071,019	32,713,386
Investment in Joint Venture	2,515,591	2,110,591	1,679,971	5,068,398	5,398,545	4,833,842
Investment in subsidiaries	25,662,294	25,662,294	25,662,294	-	-	-
Property and equipment	-	-	-	10,807,554	10,152,429	8,428,171
Intangible assets - Goodwill	-	-	-	3,149,099	3,113,771	3,137,033
Intangible assets - Software	-	-	-	2,298,405	2,042,907	1,751,478
Prepaid operating lease rentals	-	-	-	-	-	235,618
Tax recoverable	-	5,253	3,488	1,492,656	37,819	524,676
Deferred tax asset	-	-	-	3,025,708	3,014,836	1,952,072
Due from group companies	51,254	79,277	68,770	-	-	-
Other assets	4,897	8,880	4,503	3,052,013	2,691,984	3,265,951
TOTAL ASSETS	28,261,645	27,893,974	27,756,305	340,639,912	315,290,674	317,053,693
LIABILITIES AND SHAREHOLDERS' EQUITY						
Liabilities						
Deposits from banks	-	-	-	9,465,958	8,005,604	7,643,110
Items in course of collection	-	-	-	748,740	147,321	1,574,498
Deposits from customers	-	-	-	252,483,719	229,736,509	237,242,298
Deferred tax liability	-	-	-	-	-	-
Tax payable	3,746	-	-	495,445	894,694	135,513
Due to group companies	1,881,272	1,881,592	1,881,732	-	-	-
Other liabilities	220,301	90,581	106,671	5,399,898	4,788,747	4,885,064
Long term debt	-	-	-	5,357,614	6,210,571	8,587,383
Subordinated debt	-	-	-	4,618,893	4,645,055	1,551,348
	2,105,319	1,972,173	1,988,403	278,570,267	254,428,501	261,619,214
Shareholders' equity						
Share capital	826,811	826,811	413,405	826,811	826,811	413,405
Share premium	18,390,507	18,390,507	18,805,359	18,390,507	18,390,507	18,805,359
Retained earnings	6,939,065	6,704,522	6,539,417	33,399,587	33,918,324	30,525,741
Revaluation reserve	-	-	-	864,746	875,985	820,277
Fair value reserve	(57)	(39)	9,721	(240,929)	(273,802)	(106,611)
Translation reserve	-	-	-	(1,451,556)	(1,416,566)	(969,423)
Statutory credit risk reserve	-	-	-	7,056,021	5,518,392	2,958,459
Defined benefit reserve	-	-	-	(129,476)	(101,042)	(70,361)
Equity attributable to owners of the company	26,156,326	25,921,801	25,767,902	58,715,711	57,738,609	52,376,846
Non-controlling interest	-	-	-	3,353,934	3,123,564	3,057,633
TOTAL SHAREHOLDERS' EQUITY	26,156,326	25,921,801	25,767,902	62,069,645	60,862,173	55,434,479
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	28,261,645	27,893,974	27,756,305	340,639,912	315,290,674	317,053,693

I&M HOLDINGS PLC

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT JUNE 2020

6 months period to 30 June 2020	Share capital Kshs '000'	Share premium Kshs '000'	Revaluation reserve Kshs '000'	Fair value reserve Reserve Kshs '000'	Statutory Loans reserve Kshs '000'	Retirement reserve Kshs '000'	Total reserve Kshs '000'	Retained earnings Kshs '000'	Translation reserve Kshs '000'	Total Kshs '000'	Non controlling interest Kshs '000'	Total Kshs '000'
At 1 January 2020	826,811	18,390,507	875,985	(273,802)	5,518,392	(101,042)	5,417,350	33,918,324	(1,416,566)	57,738,609	3,123,564	60,862,173
Net profit after tax	-	-	-	-	-	-	-	3,050,947	-	3,050,947	139,121	3,190,068
Other comprehensive income	-	-	(11,239)	32,873	1,537,629	(28,434)	1,509,195	(1,521,616)	(34,990)	(25,777)	183,585	157,808
Total comprehensive income for the period	-	-	(11,239)	32,873	1,537,629	(28,434)	1,509,195	1,529,331	(34,990)	3,025,170	322,706	3,347,876
Transactions with owners:												
Other transactions	-	-	-	-	-	-	-	60,299	-	60,299	(60,299)	-
Dividends Paid	-	-	-	-	-	-	-	(2,108,367)	-	(2,108,367)	(32,037)	(2,140,404)
Total transactions with owners for the period	-	-	-	-	-	-	-	(2,048,068)	-	(2,048,068)	(92,336)	(2,140,404)
Balance as at 30 June 2020	826,811	18,390,507	864,746	(240,929)	7,056,021	(129,476)	6,926,545	33,399,587	(1,451,556)	58,715,711	3,353,934	62,069,645

For the year ended 31 December 2019	Share capital Kshs '000'	Share premium Kshs '000'	Revaluation reserve Kshs '000'	Fair value reserve Reserve Kshs '000'	Statutory Loans reserve Kshs '000'	Retirement reserve Kshs '000'	Total reserve Kshs '000'	Retained earnings Kshs '000'	Translation reserve Kshs '000'	Total Kshs '000'	Non controlling interest Kshs '000'	Total Kshs '000'
At 1 January 2019	413,405	18,805,359	820,277	(454,825)	2,190,131	(70,361)	2,119,770	26,931,401	(766,356)	47,869,031	3,005,417	50,874,448
Net profit after tax	-	-	-	-	-	-	-	10,309,038	-	10,309,038	459,576	10,768,614
Other comprehensive income	-	-	55,708	181,023	3,328,261	(30,681)	3,297,580	(3,322,115)	(650,210)	(438,014)	(96,921)	(534,935)
Total comprehensive income for the period	-	-	55,708	181,023	3,328,261	(30,681)	3,297,580	6,986,923	(650,210)	9,871,024	362,655	10,233,679
Transactions with owners:												
Other transactions	413,406	(414,852)	-	-	-	-	-	-	-	(1,446)	-	(1,446)
Dividends Paid	-	-	-	-	-	-	-	-	-	-	(244,508)	(244,508)
Total transactions with owners for the year	413,406	(414,852)	-	-	-	-	-	-	-	(1,446)	(244,508)	(245,954)
Balance as at 31 December 2019	826,811	18,390,507	875,985	(273,802)	5,518,392	(101,042)	5,417,350	33,918,324	(1,416,566)	57,738,609	3,123,564	60,862,173

6 months period to 30 June 2019	Share capital Kshs '000'	Share premium Kshs '000'	Revaluation reserve Kshs '000'	Fair value Reserve Kshs '000'	Statutory Loans reserve Kshs '000'	Retirement reserve Kshs '000'	Total reserve Kshs '000'	Retained earnings Kshs '000'	Translation reserve Kshs '000'	Total Kshs '000'	Non controlling interest Kshs '000'	Total Kshs '000'
At 1 January 2019	413,405	18,805,359	820,277	(454,825)	2,190,131	(70,361)	2,119,770	26,931,401	(766,356)	47,869,031	3,005,417	50,874,448
Total comprehensive income for the period												
Net profit after tax	-	-	-	-	-	-	-	4,292,152	-	4,292,152	233,715	4,525,867
Other comprehensive income	-	-	-	348,214	768,328	-	768,328	(697,812)	(203,067)	215,663	(3,684)	211,979
Total comprehensive income for the period	-	-	-	348,214	768,328	-	768,328	3,594,340	(203,067)	4,507,815	230,031	4,737,846
Transactions with owners:												
Dividends Paid	-	-	-	-	-	-	-	-	-	-	(177,815)	(177,815)
Total transactions with owners for the year	-	-	-	-	-	-	-	-	-	-	(177,815)	(177,815)
Balance as at 30 June 2019	413,405	18,805,359	820,277	(106,611)	2,958,459	(70,361)	2,888,098	30,525,741	(969,423)	52,376,846	3,057,633	55,434,479

I&M HOLDINGS PLC
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2020

	COMPANY		GROUP	
	UNAUDITED 30-Jun 2020 KShs '000'	AUDITED 31-Dec 2019 KShs '000'	UNAUDITED 30-Jun 2020 KShs '000'	AUDITED 31-Dec 2019 KShs '000'
Net cash flows generated / (used) from operating activities	2,481,598	(1,137,172)	(437,652)	11,830,044
Cash flows used in investing activities				
Purchase of property and equipment (excluding right of use assets)	-	-	(822,417)	(1,654,839)
Purchase of intangible assets	-	-	(932,205)	(1,026,409)
Additional investment in joint venture	(405,000)	(430,620)	(405,000)	(430,620)
Proceeds from disposal of property and equipment	-	-	4,622	4,847
Net cash used in investing activities	(405,000)	(430,620)	(2,155,000)	(3,107,021)
Cash flows from financing activities				
Net outflows from term subordinated debt	-	-	(26,162)	(863,854)
Dividend paid to shareholders of the company	-	-	(2,108,367)	-
Dividend paid to non-controlling interests	-	-	(88,443)	(244,508)
Payment of lease liabilities	-	-	(154,849)	(421,795)
Capital restructuring costs	-	(1,446)	-	(1,446)
Net cash used in financing activities	-	(1,446)	(2,377,821)	(1,531,603)
Net increase / (decrease) in cash and cash equivalents	2,076,598	(1,569,238)	(4,970,473)	7,191,420
Cash and cash equivalents at start of the year	1,523,218	3,092,456	41,149,416	33,957,996
Cash and cash equivalents at end of the year	3,599,816	1,523,218	36,178,943	41,149,416

OPERATING SEGMENTS

The Group operations are within five geographical segments, Kenya, Tanzania, Rwanda, Uganda and Mauritius. The table below contains segmental information for the period ended 30 June 2020.

	KENYA KShs'000	TANZANIA KShs'000	RWANDA KShs'000	MAURITIUS KShs'000	UGANDA KShs'000	ELIMINATION KShs'000	TOTAL KShs'000
30-Jun-20							
Net interest income	5,158,574	540,113	1,220,618	-	-	-	6,919,305
Net fee commission and other income	3,591,492	209,273	298,431	-	2,814	(54,888)	4,047,122
Results from joint venture	-	-	-	(579,546)	-	-	(579,546)
Operating income	8,750,066	749,386	1,519,049	(579,546)	2,814	(54,888)	10,386,881
Operating expenses	(2,971,335)	(455,110)	(832,026)	-	(1,272)	50,089	(4,209,654)
Depreciation and Amortisation	(408,811)	(67,803)	(172,643)	-	(7)	-	(649,264)
Net impairment losses on loans and advances	(822,042)	(60,690)	(147,798)	-	(98)	-	(1,030,628)
Operating expenses	(4,202,188)	(583,603)	(1,152,467)	-	(1,377)	50,089	(5,889,546)
Profit before tax	4,547,878	165,783	366,582	(579,546)	1,437	(4,799)	4,497,335
Profit after tax	3,418,468	116,230	238,278	(584,344)	1,436	-	3,190,068
Loans and advances to customers	146,130,862	15,393,456	23,040,457	-	-	-	184,564,775
Deposits from customers	214,092,970	15,061,847	23,328,902	-	-	-	252,483,719
Total assets	306,310,032	24,043,156	39,774,481	4,578,953	7,859	(34,074,569)	340,639,912
Total liabilities	224,639,479	20,306,462	34,740,404	570	1,669	(1,118,317)	278,570,267

OPERATING SEGMENTS (Continued)

	KENYA KShs'000	TANZANIA KShs'000	RWANDA KShs'000	MAURITIUS KShs'000	UGANDA KShs'000	ELIMINATION KShs'000	TOTAL KShs'000
31-Dec-19							
Net interest income	11,798,315	1,294,729	2,416,797	-	-	-	15,509,841
Net fee commission and other income	7,098,877	381,448	662,350	-	2,636	(173,685)	7,971,626
Results from joint venture	-	-	-	905,037	-	-	905,037
Operating income	18,897,192	1,676,177	3,079,147	905,037	2,636	(173,685)	24,386,504
Operating expenses	(5,448,724)	(893,153)	(1,725,307)	-	(2,618)	88,381	(7,981,421)
Depreciation and Amortisation	(743,671)	(112,901)	(308,936)	-	(12)	-	(1,165,520)
Net impairment losses on loans and advances	(305,595)	(279,641)	(51,219)	-	-	-	(636,455)
Operating expenses	(6,497,990)	(1,285,695)	(2,085,462)	-	(2,630)	88,381	(9,783,396)
Profit before tax	12,399,202	390,482	993,685	905,037	6	(85,304)	14,603,108
Profit after tax	9,005,120	264,900	678,855	898,935	6	(79,202)	10,768,614
Loans and advances to customers	141,543,126	15,225,620	18,560,680	-	-	-	175,329,426
Deposits from customers	195,404,638	13,620,563	20,711,308	-	-	-	229,736,509
Total assets	287,189,138	22,545,831	34,149,852	4,914,959	5,954	(33,515,060)	315,290,674
Total liabilities	206,852,953	18,971,164	29,529,663	1,896	1,306	(928,481)	254,428,501

OPERATING SEGMENTS (Continued)

	KENYA KShs'000	TANZANIA KShs'000	RWANDA KShs'000	MAURITIUS KShs'000	UGANDA KShs'000	ELIMINATION KShs'000	TOTAL KShs'000
30-Jun-19							
Net interest income	5,491,114	491,020	1,035,524	-	-	-	7,017,658
Net fee commission and other income	3,611,971	235,341	445,292	-	409	119,561	4,412,574
Results from joint venture	-	-	-	404,069	-	-	404,069
Operating income	9,103,085	726,361	1,480,816	404,069	409	119,561	11,834,301
Operating expenses	(2,861,614)	(418,905)	(923,681)	-	(1,412)	114,868	(4,090,744)
Depreciation and Amortisation	(223,790)	(50,449)	(140,954)	-	(5)	-	(415,198)
Net impairment losses on loans and advances	(1,049,671)	(82,660)	23,612	-	-	-	(1,108,719)
Operating expenses	(4,135,075)	(552,014)	(1,041,023)	-	(1,417)	114,868	(5,614,661)
Profit before tax	4,968,010	174,347	439,793	404,069	(1,008)	234,429	6,219,640
Profit after tax	3,478,247	124,265	285,866	404,069	(1,008)	234,428	4,525,867
Loans and advances to customers	137,313,788	15,082,170	19,767,912	-	-	-	172,163,870
Deposits from customers	201,828,400	13,906,490	21,507,408	-	-	-	237,242,298
Total assets	286,336,881	22,855,484	36,464,951	4,578,667	5,086	(33,187,376)	317,053,693
Total liabilities	211,228,734	19,384,749	31,767,854	2,016	1,456	(765,595)	261,619,214

I&M HOLDINGS PLC
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 REPORTING ENTITY

I&M Holdings PLC (the "Company"), is a non-operating holding company licensed by the Central Bank of Kenya (CBK) under the Kenyan Banking Act (Chapter 488). The Company is incorporated in Kenya under the Kenyan Companies Act, 2015 and comprises banking subsidiaries in Kenya, Tanzania, Rwanda and a joint venture in Mauritius and non banking Subsidiaries in Kenya, Mauritius and Uganda. The consolidated financial statements as at and for the year ended 31 December 2019 comprise of entities in Kenya – I&M Bank Limited, I&M Capital Limited, I&M Realty Limited, I&M Burbidge Capital Limited, Giro Limited, I&M Insurance Agency Limited, and Youjays Insurance Brokers Limited; Tanzania - I&M Bank (T) Limited; Rwanda - I&M Bank (Rwanda) Plc, Mauritius - BCR Investment Company Limited and a joint venture - Bank One Limited; and Uganda - I&M Burbidge Capital (U) Limited (together referred to as the "Group"). The address of its registered office is as follows:

I&M Bank House
2nd Ngong Avenue
P O Box 30238 - 00100
Nairobi

The Company owns the following entities directly:

- (i) Bank One Limited – 50% interest in Bank One Limited, a joint venture in a bank licensed in Mauritius;
- (ii) I&M Bank LIMITED – 100% shareholding;
- (iii) I&M Capital Limited – 100% Shareholding;
- (iv) I&M Realty Limited – 100% Shareholding;
- (v) BCR Investment Company Limited – 100% (2019 - 68.742%) Shareholding;
- (vi) I&M Burbidge Capital Limited – 65% Shareholding, and;
- (vii) Giro Limited – 100% Shareholding

Through I&M Bank LIMITED, the Company has:

- (i) 70.38% shareholding in I&M Bank (T) Limited;
- (ii) 100% shareholding in I&M Insurance Agency Limited (incorporated on 23 July 2014),
- (iii) 100% shareholding in Youjays Insurance Brokers Limited (effective 31 March 2018) through I&M Insurance Agency Limited.

Through BCR Investment Company Limited, the Company has 54.47% effective shareholding in I&M Bank (Rwanda) Plc as BCR Investment Company Limited (Mauritius) owns 79.232% shareholding in I&M Bank (Rwanda) Plc;

Through I&M Burbidge Capital Limited, the Company has 65% effective shareholding in I&M Burbidge Capital (U) Limited as the Company is 100% owned by I&M Burbidge Capital Limited.

2 BASIS OF PREPARATION

The principal accounting policies adopted in these consolidated quarter one financial statements are consistent with those used in the Audited Annual Financial Statements for the year ended 31 December 2019.

These half year financial statements should be read together with the 2019 Audited Annual Financial Statements.